

## Iowa Secondary Roads Fund Distribution Committee – Historical review

### Origins

Section 312.3C of the Code of Iowa was enacted in 2002. Called for setting up a committee to consider methodologies for distribution of SRF and FM funds and a recommendation to the legislature on what to adopt.

Old 'Needs Study' allocated funds 30 percent on area and 70 percent on needs. Based on running a 20 year simulation of traffic, pavement and bridge deterioration, and applied treatments. The old method was not performing well: massive fluctuations in allocations every four years, like counties not treated alike, reliance on data up to 10 years old, rewarded under-maintenance.

SRFDAC Committee began meeting at ISAC and undertook to identify and develop a method that could replace the Needs Study. Goals: Short term stability with long term adaptation, Fair to all citizens, reduce inverse incentives, treat like counties alike, decide whether or not to factor in asset conditions, find something that was understandable.

Work began in the Fall of 2002 and final report was submitted Jan 17, 2005.

Considered many options: re-write Needs Study code, use IPMP data, FHWA software, and practices in other states.

Finally settled on the Factor Breakdown method, first suggested by Larry Vest, Tama County Supervisor, after considering over fifty different factor combinations:

### SRFDC Formula Factors and weightings

	Area Served	Usage	Used	System	System	System	System	
Factor	TtlArea	RrlPop	VMT	Earth	Granular	Paved	-LFBD-	
SRF	30%	10%	12.5%	0.5%	20%	13%	14%	100%
FM	30%	15%	10%	0%	9%	23%	13%	100%
	Sq. Mi.	Count	VMT/day	Miles	Miles	Miles	Feet	

Works by figuring the ratio between any county's quantity of a given item to the statewide total and then multiplying it times the factor value. The sum of the ratio x factor results for all items becomes the county's total allocation factor.

A five year phase in began in 2006 – with that year's allocation figured as 100% old factor. This shifted year by year as follows: 2007: 80/20, 2008:60/40, 2009:40/60, 2010:20/80, ending with 2011 as the first 100% new factor year.

Rural Population item changes once every 10 years. Last time was in 2012; next will be in 2022. Area does not change. All other items are updated annually.

The recommendations were officially adopted in Iowa Administrative Code, TRANSPORTATION DEPARTMENT [761], CHAPTER 102 in 2006

How has the Factor Breakdown method performed?

- A) It has been very stable (over 12 years, so far)  
Maximum increases in factor went to Dubuque (+4.68% - Expanded paved network) and Mills(+4.25 Received big TJ from DOT). Largest decreases went to Taylor(-3.44% - loss of population and VMT) and (Winnebago:-3.23%, similar). All other counties experienced lower changes.
- B) It has done a good job of long term adaptation: the incremental changes in input items get reflected in the final factors over time, allowing the method to respond to changes in usage and system.
- C) It remains fair to all citizens: urban and rural alike.
- D) Reduced inverse incentives by removing condition ratings from the calculations.
- E) Treats like counties alike \* see next page
- F) Remains easy for people to understand and evaluate.